Royal BC Museum Corporation

Statement of Financial Information
for the Year ended March 31, 2013

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Included in audited financial statements:

- Statement of Financial Position
- Statement of Operations
- Statement of Changes in Net Financial Position
- Statement of Cash Flows

Included separately:

- Schedule of Debts
- Schedule of Guarantee and Indemnity Agreements
- Schedule of Remuneration and Expenses
- Statement of Severance Agreements
- Schedule of Supplier Payments

Statement of Financial Information Act Approval

The undersigned represents the Board of Directors of the Royal BC Museum Corporation and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

S Pratt

Name Sandy Pratt
Title VP Business Development & Executive Financial Officer
Royal BC Museum Corporation

Date May 23, 2013

D Corbett

Name Daphne Corbett
Title Chair, Finance and Audit Committee, Royal BC Museum Corporation

Date May 23, 2013

Schedule of Debts

Royal BC Museum Corporation has no outstanding debt instruments at March 31, 2013

Schedule of Guarantee and Indemnity Agreements

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Schedule of Remuneration and Expenses

Employees appointed by Cabinet and Members of the Board of Directors

Members of the Board of Directors are volunteers and receive no remuneration for their roles on the Board.

Name	Position
Williams, John (Victoria)	Chair
Adams, David (Victoria)	Director
Corbett, Daphne (Victoria)	Director
Evans, Garth (Vancouver)	Director
Kennedy, Lynne (Vancouver)	Director
Knott, Susan (Vancouver)	Director
Lee, Graham (Vancouver)	Director
Sanatani, Suromitra (Victoria)	Director
Segarty, Terry (Cranbrook)	Director
Vandenberg, Margaret (Vancouver)	Director
Wesley, Angela (Terrace)	Director

Name	Position	Remuneration	Expenses
Black, Martha	Curator, Ethnology	79,524	4,462
Bourdon, Don	Head of New Archives & Digital Preservation	75,716	596
Bridge, Kathryn	Head of Knowledge, Academic Relations & Atlas	78,572	1,512
Culham, Mac	Manager, Corporate Information and Records	77,480	1,281
Cuthill, Camille	Director, Development	79,097	1,379
Dickson, Mark	Head of Exhibitions	76,139	12,933
Griffin, Robert	Manager, Human History	85,856	4,248
Hammond, Lorne	Curator, History	77,870	471
Hebda, Richard	Curator, Botany & Earth History	91,616	3,272
Lee, Kasey	Manager, Conservation Services	77,870	445
Lohman, Jack	Chief Executive Officer	161,246	33,642
Lowings, Pamela	Head of Property Management and Site Development	85,301	3,754
Marr, Ken	Curator, Botany	79,761	15,395
Mitchell, Gary	VP Archives, Collections & Knowledge	110,863	7,475
Sendall, Kelly	Head of Collections Care & Conservation	85,856	2,132
Stenson, Erika	Head of Marketing & Development	78,739	3,104
Williams, Angela	Chief Operating Officer	112,686	4,989
Willis, Tim	VP Visitor Engagement & Experience	112,687	10,691
Zinck, Faye	Chief Financial & Information Officer (retired)	110,170	427
Consolidated total of other employees with remuneration $75,000 or less		5,323,472	
		7,060,522	112,208

Note: Remuneration includes archived vacation and timed bank payouts.

Reconciliation of Remuneration to Financial Statements

Total remuneration	7,060,522
Reconciling items	
Benefits	1,708,690
CPP and EI contributions reported under Supplier payments	404,779
Salaries and benefits classified under Special Exhibitions	(125,569)
Total per Statement of Operations	9,048,423

Statement of Severance Agreements

In 2012/13 there were no severance agreements between RBCM and its employees.

Schedule of Supplier Payments

Supplier Name	Aggregate Amount
Aevum Archives & Research Services	$ 25,000
American Museum of Natural History	50,800
B C Moving & Storage Ltd	53,275
Bell Media	27,269
BC Hydro	326,948
Black & Mcdonald	793,328
Borden Ladner Gervais	36,474
Canadian Corps of Commissionaires	1,057,598
City of Victoria	691,707
Cold Star Freight	25,511
CTV Television Inc	102,853
Cube Global Storage Ltd	37,296
Dr. Mark Kilfoyle	31,000
esolutionsgroup Limited	217,291
Futurestep Canada Inc	46,649
Grand & Toy	26,405
Hayes Stewart Little Co	36,870
Highland Garden Care	60,538
Houle Electric Ltd	102,352
IEG Consulting Group	40,404
ITM Consulting Solutions	44,954
James Ball	30,513
Jim Olson	26,662
John McAslan + Partners	27,327
Kone Inc	86,777
Lamar Companies	29,570
Leica Microsystems (Canada) Ltd	31,277
Liesch Office Interiors	29,168
Long View Systems	170,200
Marsh Canada Ltd	141,597
Matthews Store Fixtures & Shelving	85,302
Media Beacon Inc	60,622
Micro Com Systems Ltd	55,185
Minister of Finance - BC Public Service Agency	39,508
Minister of Finance - BC Mail Plus	31,252
Minister of Finance - Corporate Records Mgmt Br	414,278
Minister of Finance - Ministry of Citizens' Services	340,880
Minister of Finance - Open School BC	25,375
Minister of Finance - Provincial Treasury	81,418
Minister of Finance - Risk Management	51,024
Minister of Finance - Workplace Technology Services	145,137

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2013

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

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ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

MANAGEMENT'S REPORT

The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of the data in these financial statements are management's responsibility. Financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management is also responsible for the safeguarding of financial and operating systems, which include effective controls to provide reasonable assurance that the Corporation's assets are safeguarded and that reliable financial information is produced.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance and Audit Committee. The Finance and Audit Committee meets regularly with management and the external auditors have full and free access to the Committee. The Board of Directors, whose members are not involved in the day-to-day activities of the Corporation, are responsible for the review and approval of the financial statements.

Hayes Stewart Little & Co. has audited the financial statements in accordance with Canadian auditing standards.

Jack Lohman
Chief Executive Officer

Sandy Pratt
Executive Financial Officer

Victoria, BC
May 22, 2013

HAYES
STEWART
LITTLE &
COMPANY
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Royal British Columbia Museum Corporation

Report on Financial Statements
We have audited the accompanying financial statements of the Royal British Columbia Museum Corporation, which comprise the statement of financial position as at March 31, 2013 and the statements of operations, statements of change in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements of the Royal British Columbia Museum Corporation for the year ended March 31, 2013 are prepared in all material respects in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 2(h) to the financial statements which discloses that the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers and restricted contributions. Note 5 discloses the impact of these differences.

Hayes Stewart Little + Co

Victoria, BC
May 15, 2013

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ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2013

	March 31, 2013	March 31, 2012
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2(b))	$ 2,621,302	$ 1,726,584
Portfolio investments (Note 2(c), Note 7)	-	1,000,865
Accounts receivable	378,525	249,988
	2,999,827	2,977,437
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	1,817,895	1,784,618
Leave liability (Note 2(l))	319,342	316,199
Deferred revenue (Note 8)	2,005,650	1,258,374
Deferred capital contributions (Note 9)	10,960,898	12,468,744
	15,103,785	15,827,935
NET FINANCIAL POSITION	(12,103,958)	(12,850,498)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	24,488,204	24,986,890
Deferred exhibition costs (Note 2(f))	415,090	614,635
Prepaid expenses	79,528	74,337
	24,982,822	25,675,862
ACCUMULATED SURPLUS	$ 12,878,864	$ 12,825,364

Commitments (Note 17)

ON BEHALF OF THE BOARD:

Director

Director

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2013

	2013 Budget	2013 Actual	2012 Actual
REVENUES			
Provincial operating contributions	$ 12,166,000	$ 12,166,000	$ 12,166,000
Museum admission fees and memberships	4,047,750	4,070,539	3,026,290
Other income (Note 12)	2,147,965	2,238,432	3,020,078
Amortization of deferred capital contributions (Note 9)	696,285	611,548	613,342
Donated collections and artifacts (Note 2(j))	-	120,110	358,742
	19,058,000	19,206,629	19,184,452
EXPENSES (Note 14)			
Salaries and benefits	9,183,015	9,048,423	8,862,875
Building costs	2,245,793	2,221,368	2,340,372
Amortization	1,341,680	1,238,256	1,244,130
Security	960,470	929,035	896,212
Taxes, City of Victoria	693,310	657,239	671,032
Special Exhibitions (Note 10)	1,289,150	1,352,879	193,481
Systems and telecommunications	811,834	815,016	823,428
Professional services	610,090	764,134	675,281
Materials and supplies	332,103	335,899	350,561
Archival records storage	411,500	452,984	408,554
Marketing and communications	330,845	374,067	299,885
Office and business	287,210	346,275	316,376
Insurance	200,000	188,334	181,709
Travel	172,000	208,221	142,152
Bank charges	90,000	94,142	76,324
Collections and artifacts	-	120,110	358,742
Donations (Note 13)	-	6,747	1,309,455
	18,959,000	19,153,129	19,150,569
ANNUAL SURPLUS	99,000	53,500	33,883
ACCUMULATED SURPLUS, beginning of year	12,825,364	12,825,364	12,791,481
ACCUMULATED SURPLUS, end of year	$ 12,924,364	$ 12,878,864	$ 12,825,364

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF CHANGES IN NET FINANCIAL POSITION

FOR THE *YEAR ENDED MARCH 31, 2013*

	2013 Budget	2013 Actual	2012 Actual
ANNUAL SURPLUS	$ 99,000	$ 53,500	$ 33,883
Acquisition of tangible capital assets	(705,000)	(739,570)	(547,976)
Amortization of tangible capital assets	1,341,680	1,238,256	1,244,130
	935,680	552,186	730,037
Acquisition of prepaid expense		(79,528)	(73,760)
Use of prepaid expense		74,337	81,445
Acquisition of deferred exhibition costs		(58,995)	(384,439)
Use of deferred exhibition costs		258,540	(39,063)
		194,354	(337,691)
Change in net financial position		746,540	392,346
Net financial position, beginning of year		(12,850,498)	(13,242,844)
Net financial position, end of year	$	$ (12,103,958)	$ (12,850,498)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Cash received from the Province of British Columbia	$ 12,166,000	$ 12,166,000
Cash received from admission fees	4,152,671	3,167,615
Cash received from other income	1,998,851	3,576,245
Cash paid for donations	(128,449)	(1,309,455)
Cash paid for salaries and benefits	(9,049,835)	(9,552,358)
Cash paid for building costs, taxes and security	(3,894,427)	(3,758,928)
Cash paid for materials and services	(3,425,227)	(3,481,655)
Cash paid for special exhibitions	(1,153,334)	(538,857)
Cash provided from operating activities	666,250	268,607
INVESTING ACTIVITIES		
Cash received from disposition of temporary investments	1,000,865	-
Cash received for purchase of tangible capital assets	-	1,206,474
Cash used to purchase tangible capital assets	(772,397)	(520,696)
Cash used for investing activities	228,468	685,778
Increase in cash and cash equivalents	894,718	954,385
CASH AND CASH EQUIVALENTS, beginning of year	1,726,584	772,199
CASH AND CASH EQUIVALENTS, end of year	$ 2,621,302	$ 1,726,584

1. Nature of operations

The Royal British Columbia Museum Corporation (the "Corporation") is a Crown Corporation of the Province of British Columbia without share capital, incorporated on April 1, 2003 under the *Museum Act*. The Corporation is a tax-exempt body under Section 149(1)(d) of the *Income Tax Act*.

The purpose of the Corporation is to fulfill the Government's fiduciary responsibilities for public trusteeship of the Provincial collections and exhibitions, including specimens, artifacts, archival and other materials that illustrate the natural and human history of British Columbia. The Corporation is dedicated specifically to the preservation of, and education about, the human and natural history of British Columbia. The collection is preserved for future generations of British Columbians.

2. Summary of significant accounting policies

(a) Basis of presentation

The financial statements have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as described in note 2(h).

(b) Cash and cash equivalents

Cash includes cash on hand and balances held in Canadian bank accounts. Cash equivalents are investments in term deposits and are valued at their carrying value plus accrued interest. The carrying amounts approximate fair value as they have maturities at the date of purchase of less than ninety days.

(c) Portfolio investments

Portfolio investments are investments in organizations that do not form part of the government reporting entity. Equity and derivative investments are recorded at fair value. Fixed income and money market investments are recorded at cost. The related investment income includes interest earned net of investment expenses incurred during the year. Investment transaction costs are expensed as incurred.

(d) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities all of which are reported at amortized cost.

(e) Revenue recognition

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made, with the exception of transfers received for capital contributions as described in note 2(h).

Summary of significant accounting policies continued

Admission and program fees are recognized as revenue on the date the service is provided. Membership fees are recognized as revenue on a straight-line basis over the term of the membership.

Investment, royalty and rental revenues are recognized when earned in accordance with specified agreements when the amounts can be reasonably estimated and receipt is likely.

Grants provided for operational projects by external parties or governments are recognized in the period in which the resources are used, in accordance with the terms of the funding agreement.

Contributions provided for capital projects by external parties or governments are deferred and recognized as revenue on the same basis the related assets are amortized, in accordance with the terms of the funding agreement.

(f) Deferred exhibition costs

Costs of special exhibitions are deferred until the exhibitions are opened to the public and then are expensed over the period of the exhibitions to which they relate.

(g) Tangible capital assets

Tangible capital assets are reported at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings and improvements	up to 40 years
• Permanent exhibitions	10 years
• Operating equipment	5 years
• Computer hardware and software	3 years
• Vehicles	3 years
• Furniture	5 years

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(h) Deferred contributions

Funding received from the acquisition of depreciable tangible capital assets is recorded as a deferred contribution and is recognized as revenue in the Statement of Operations in an amount equal to the amortization expense on the related depreciable assets. This policy is in accordance with Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act*, S.B.C. 2000, C.23, s.23. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and certain eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability, in which case the transfer would be recognized as revenue over the period in which the liability is extinguished. The impact of the difference in this accounting policy on the financial statements is presented in note 5.

(i) Foreign currency translation

Revenue and expense transactions denominated in foreign currencies are translated into Canadian dollars at the exchange rate at the time of the transaction. Financial assets and liabilities are translated into Canadian dollars at the exchange rate prevailing on the year end date. Any resulting exchange gains or losses during the period are recognized in the Statement of Operations.

(j) Collections

In accordance with *PS1000 Financial Statement Concepts*, the collections, including art and historic treasures, are not recorded as assets in the financial statements. Donated collections are recorded as revenue estimated at the fair market value of the gift based on appraisals by independent appraisers. The acquisition of both donated and purchased collections are expensed.

(k) Volunteers

During the year, volunteers contributed approximately 40,000 (2012: 40,000) hours in support of the Corporation. Their activities include guided gallery tours and a variety of programs that enrich the visitor's experience at the Corporation and its profile in the community. Due to the complexities involved in valuing these services, they have not been reflected in the financial statements.

(l) Employee benefit plans

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The Plan is a multi-employer, defined benefit plan, to which the Corporation applies defined contribution plan accounting in accordance with PSA standard *PS3250 Retirement Benefits*. The plan is administered by the British Columbia Pension Corporation, including payment of pension benefits to employees to whom the Act applies, and the Corporation does not have sufficient information to apply defined benefit plan accounting. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions.

Employee benefit plans continued

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation (March 31, 2011) has determined the Plan has an unfunded liability of $275 million. The employer contribution rate to the Plan for the fiscal year ended March 31, 2013 was 9.43% (2012: 8.78%) of the pensionable salary up to the year's maximum pensionable earnings of $51,100 (2012: $50,100) and 10.93% (2012: 10.28%) of pensionable salary in excess of the year's maximum pensionable earnings.

The Corporation annually contributes through the Provincial Government payroll benefit plan for specific termination benefits and employee benefits as provided for under collective agreements and conditions of employment. The benefit charge back rate that the Corporation pays through the Provincial Government is 23.00% (2012: 23.90%). Costs of future benefits are recognized as an expense in the year that contributions are paid.

The Corporation administers an accumulated vacation and sick leave bank ("leave liability") consisting of unused vacation and sick time credits earned. The full value of accumulated vacation is paid upon retirement or termination. Up to 60% of the value of sick time credits earned are paid upon retirement or termination.

(m) Use of estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. This includes and is not limited to the useful lives of capital assets.

3. Statement of Remeasurement

A Statement of Remeasurement has not been included in these financial statements. Management has determined that it would not provide any additional meaningful information as the Corporation did not recognize any remeasurement gains or losses during the year.

4. Budget

Budgeted figures were approved by the Board of Directors and by the Legislative Assembly of the Province of British Columbia on May 31, 2012 as provided in the Royal BC Museum Service Plan 2012/13 – 2014/15.

5. Emphasis of Matter

Impact of Accounting for Government Transfers and Restricted Contributions in Accordance with Section 23.1 of the Budget Transparency and Accountability Act

If the Corporation adopted Canadian public sector accounting standards excluding the modifications as described in the Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act,* S.B.C. 2000, c.23, s.23, the impact on the financial statements is presented as follows:

	2013 (Increase)/ Decrease	2012 (Increase)/ Decrease
Statement of Financial Position		
Deferred revenue	$ -	$ (1,017,771)
Deferred capital contributions	10,960,898	12,468,744
Accumulated surplus	$ (10,960,898)	$ (11,450,973)
Statement of Operations		
Other income	$ (121,473)	$ (62,807)
Amortization of deferred capital contributions	611,548	613,342
Annual (surplus) deficit	$ 490,075	$ 550,535

6. Financial risk management

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities all of which are reported at amortized cost.

It is management's opinion that the Corporation is not exposed to significant liquidity, credit or market risks arising from these financial instruments.

Liquidity Risk: Cash and cash equivalents, and portfolio investments are held with financially sound institutions and as such liquidity risk is not significant.

Credit Risk: Receivable balances consist primarily of trade receivables related to royalties and rents. At the financial statement date, 4.9% of the accounts receivable balance is past due and none is considered to be impaired. As such the Corporation is not exposed to significant credit risk.

Market Risk: Portfolio investments are comprised of units in a money market fund consisting of primarily of short-term treasury bills. As such, risk of loss of principal is insignificant.

7. Portfolio investments

On October 16, 2012 the portfolio investments were closed. The funds were transferred into term deposits and are included in cash and cash equivalents.

8. Deferred revenue

Deferred revenue includes funds related to grants for restricted operating projects, future gallery rental deposits, advance admission sales, memberships and unredeemed gift cards. There are no operational restrictions associated with the grants received for operating projects.

		2013		2012
Restricted	$	1,654,524	$	1,177,853
Unrestricted		351,126		80,521
Total	$	2,005,650	$	1,258,374

9. Deferred capital contributions

Deferred capital contributions include funds received for construction of permanent exhibitions as well as facilities upgrades including HVAC systems, elevators, lighting and electrical capacity upgrades.

	Balance at March 31, 2012	Additions/ (transfer)	Amortized to Revenue	Balance at March 31, 2013
Provincial government	$ 5,477,723	$ -	$ (150,322)	$ 5,327,401
Federal government	3,708,788	-	(167,966)	3,540,822
Other	3,282,233	(896,298)	(293,260)	2,092,675
Total	$ 12,468,744	$ (896,298)	$ (611,548)	$ 10,960,898

During the year $896,298 was transferred from deferred capital contributions to restricted deferred revenue. This amount will be used to cover future operating expenditures related to leasing cold storage space and preservation of artifacts.

10. Special exhibitions

The Corporation hosts temporary exhibitions to provide a window on the world and encourage repeat visitation. In fiscal year 2013 these included: *Wildlife Photographer of the Year*; *The Navy: A Century in Art*; *Envisioning the World: First Printed Maps 1472-1700*; *Royal BC Museum at Wing Sang*; *Dinosaurs: Ancient Fossils, New Discoveries* and *Queen Elizabeth II by Cecil Beaton: A Diamond Jubilee Celebration*. In fiscal year 2012 these included: *Wildlife Photographer of the Year* and *Behind the Scenes Exhibition featuring The Other Emily*. Costs allocated to exhibitions are those additional costs which are directly incurred to host the exhibition. Professional service contract expenses include exhibition loan fees where applicable.

	2013	2012
Salaries and benefits	$ 125,569	$ 26,580
Professional service contracts	394,271	63,331
Marketing and communications	411,645	61,510
Materials and supplies	367,994	36,410
Office and business	53,400	5,650
Total	$ 1,352,879	$ 193,481

11. Tangible capital assets

Cost	Balance at March 31, 2012	Additions	Disposals	Balance at March 31, 2013
Land	$ 12,510,140	$ -	$ -	$ 12,510,140
Permanent exhibitions	1,651,047	-	(129,839)	1,521,208
Operating equipment	371,137	233,662	(109,589)	495,210
Hardware and software	1,432,189	489,346	(425,091)	1,496,444
Vehicles	24,664	-	(24,664)	-
Furniture	38,156	16,562	(23,378)	31,340
Buildings and improvements	12,299,714	-	-	12,299,714
Total	$ 28,327,047	$ 739,570	$ (712,561)	$ 28,354,056

Disposals include fully amortized assets removed from service.

Accumulated Amortization	Balance at March 31, 2012	Amortization	Accumulated Amortization on Disposals	Balance at March 31, 2013
Land	$ -	$ -	$ -	$ -
Permanent exhibitions	1,203,064	151,858	(129,839)	1,225,083
Operating equipment	239,525	86,635	(109,589)	216,571
Hardware and software	714,478	475,528	(425,091)	764,915
Vehicles	24,321	343	(24,664)	-
Furniture	28,429	6,939	(23,378)	11,990
Buildings and improvements	1,130,340	516,953	-	1,647,293
Total	$ 3,340,157	$ 1,238,256	$ (712,561)	$ 3,865,852

Net Book Value	Balance at March 31, 2012	Balance at March 31, 2013
Land	$ 12,510,140	$ 12,510,140
Permanent exhibitions	447,983	296,125
Operating equipment	131,612	278,639
Hardware and software	717,711	731,529
Vehicles	343	-
Furniture	9,727	19,350
Buildings and improvements	11,169,374	10,652,421
Total	**$ 24,986,890**	**$ 24,488,204**

12. Other income

	2013	2012
Grants and sponsorships	$ 974,278	$ 399,412
Donations	13,964	1,224,196
Property leases	735,210	744,885
Programs, services and miscellaneous	514,980	651,585
Total	$ 2,238,432	$ 3,020,078

13. Donations

In 2013 an unrestricted contribution of $6,747 (2012: $1,309,455) was made to the Royal British Columbia Museum Foundation to assist the Foundation in funding future museum and archives projects at the Corporation. The contribution is part of a long standing economic partnership with the Foundation to assist and support provincial museum initiatives and projects through attracting federal and other foundation monies.

14. Expenses by function

	2013 Budget	2013 Actual	2012 Actual
Collections, research and access	$ 7,413,624	$ 7,471,248	$ 7,180,700
Exhibitions and visitor experience	7,950,869	8,358,883	6,861,947
Development and fundraising	561,164	458,588	507,167
General and administrative	3,033,343	2,737,553	2,932,558
Collections and artifacts	-	120,110	358,742
Donations	-	6,747	1,309,455
	$ 18,959,000	$ 19,153,129	$ 19,150,569

15. Collections

As at March 31, 2013, the collections consisted of approximately 7.2 million artifacts, specimens and archival records (2012: 7.2 million). During the year, the Corporation de-accessioned 4 batches (2012: 5) and accessioned 328 batches (2012: 213) to its collections through the acquisition, purchase and accessioning process. The collections are valued at $150 million for insurance purposes.

16. The Royal British Columbia Museum Foundation

The Corporation has an economic interest in the Royal British Columbia Museum Foundation (the "Foundation"). The Foundation is an independent organization with its own Board of Directors therefore the accounts of the Foundation are presented separately and are not consolidated in these financial statements. The Foundation was incorporated to support activities on behalf of the Corporation. The principal activities of the Foundation are the operation of the Royal Museum Shop, the management of donations, bequests, endowments and the support of projects undertaken by the Corporation.

The Foundation has internally restricted funds of approximately $4,087,000 (2012 - $3,820,000), which are reserved for specific projects for transfer to the Corporation in future years.

During the year, the following amounts were paid by the Foundation to the Corporation:

		2013		2012
Funding for non-capital projects	$	426,750	$	453,163
Endowment earnings		-		132,223
Gift shop royalties		67,504		35,029
Purchase of goods and services		52,984		58,186
Total	$	547,238	$	678,601

As of March 31, 2013, $184,031 is due from the Foundation to the Corporation and is included in the accounts receivable balance (2012: $86,545).

During the year, the following amounts were paid by the Corporation to the Foundation:

		2013		2012
Unrestricted donation to the Foundation (Note 13)	$	6,747	$	101,688
Transfer of restricted donations (Note 13)		-		1,212,391
Purchase of goods and services		39,694		3,776
Total	$	46,441	$	1,317,855

As of March 31, 2013, $6,991 is due from the Corporation to the Foundation and is included in the accounts payable balance (2012: $8,569)

During the year, the CEO of the Corporation was independently contracted by the Foundation to provide professional consulting services with respect to fundraising.

17. Commitments

Operating Agreement

The Corporation has entered into a Theatre Operating Agreement for the operation of a large screen motion picture theatre on the Corporation's premises. Under the terms of the Agreement, the Corporation will be paid a royalty from the theatre including certain negotiated adjustments, plus specific amounts for additional operating costs. The term of the Agreement is 30 years and expires June 24, 2028.

Heating and Cooling Contract

The Corporation has entered into a month to month service agreement for the provision of steam, chilled water and natural gas services. Under the terms of the agreement, the Corporation will pay for services as consumed.

Property Management Contract

The Corporation has entered into a five year service agreement for the provision of building management and maintenance services expiring March 31, 2015. Under the terms of the agreement, the Corporation will pay annual management fees as follows:

2014	$	96,445
2015		98,374
Total	$	194,819

Additionally, the Corporation will pay for direct maintenance costs as incurred by the contractor.

Exhibition Loan Fees

The Corporation has a commitment to disburse $150,000 to the American Museum of Natural History related to the loan of artifacts and objects. Future anticipated payments are as follows:

2014	$	150,000
Total	$	150,000

Lease Commitments

The Corporation has operating leases to rent warehouse and cold storage space to store and preserve artifacts which expire on April 30, 2015 and January 31, 2017 respectively. Future minimum payments are as follows:

2014	$	236,760
2015		236,760
2016		70,200
2017		58,500
Total	$	602,220

18. Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.